



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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**DATE:** June 24, 2014  
**TO:** Low Income Housing Tax Credit Stakeholders  
**FROM:** William J. Pavão, Executive Director  
**SUBJECT:** Projects with HUD Section 811 Rental Subsidy (State Program)  
Process for Informing TCAC of Changes in an Owner's Tenant Selection Plan

The California Tax Credit Allocation Committee (TCAC) has been asked to clarify how it monitors fair housing and tenant selection practices when an owner changes their selection plan to accommodate different tenant populations for the State's forthcoming HUD Section 811 Rental Assistance Program.

TCAC requires that project owners and property management staff comply with all applicable fair housing laws prohibiting discrimination and requiring equal access to housing for persons with disabilities. Project architects must certify that projects comply with applicable fair housing law's physical design and building requirements. When conducting onsite compliance monitoring, TCAC staff inspects all properties for conformance with Internal Revenue Code Section 42 (IRC Section 42). If a project receives fair housing complaints, TCAC staff will refer these to U.S. Housing and Urban Development (HUD) or Department of Fair Employment and Housing (DFEH).

Following a project placing in service, a project owner may target some units to a specific tenant population. For example, an owner may enter into a HUD Section 811 Supportive Housing for Persons with Disabilities project rental assistance contract for an existing tax credit project. As a result, the owner and property management company may update the project's tenant selection and waiting list process. When TCAC conducts its next monitoring visit, staff would monitor for IRC Section 42 tax credit compliance.

Fair housing compliance, tenant selection, and waiting list policies may be separately monitored by other agencies providing project funding or subsidies.